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October 15, 2002

TN REGULATORY AUTHORITY
DOCKET ROOM

VIA FACSIMILE NO. (615) 532-2910 AND FIRST CLASS U.S. MAIL

Mr. Russell T. Perkins
Deputy Director
Office of the Attorney General
Consumer Advocate & Protection Division
P.O. Box 20207
Nashville, TN 37202

<u>VIA FACSIMILE NO. (615) 532-2910</u> <u>AND FIRST CLASS U.S. MAIL</u>

Mr. Timothy C. Phillips
Assistant Attorney General
Office of the Attorney General
Consumer Advocate & Protection Division
P.O. Box 20207
Nashville, TN 37202

Re:

United Cities Gas Company, Division of Atmos Energy Corporation Incentive Plan Account (IPA) Audit; TRA Docket No. 01-00704

Dear Russell and Tim:

Enclosed are copies of the minutes from the regular meeting of the Board of Directors of the United Cities Gas Company on April 28, 1995, July 28, 1995, and May 3, 1996. I have provided the portion of the minutes which specifically references the PBR.

If you should have any questions, please do not hesitate to contact me.

Very truly yours,

Joe A. Conner For the Firm

JAC:seo Enclosures

cc:

Mr. Jon N. Wike (w/enc. - via fax)

Mr. Richard Collier (w/enc. - via fax)

C JAC 257854 v1 830844-00077 10/15/2002

#### MINUTES OF THE ANNUAL MEETING OF SHAREHOLDERS UNITED CITIES GAS COMPANY APRIL 28, 1995

The Annual Meeting of Shareholders of United Cities Gas Company, a Corporation organized under the laws of the State of Illinois and the Commonwealth of Virginia, was convened pursuant to the provisions of the By-laws, in the fifth floor auditorium of the First American Center, 326 Union Street, Nashville, Tennessee, at 10:30 a.m., local time, on the 28th day of April, 1995.

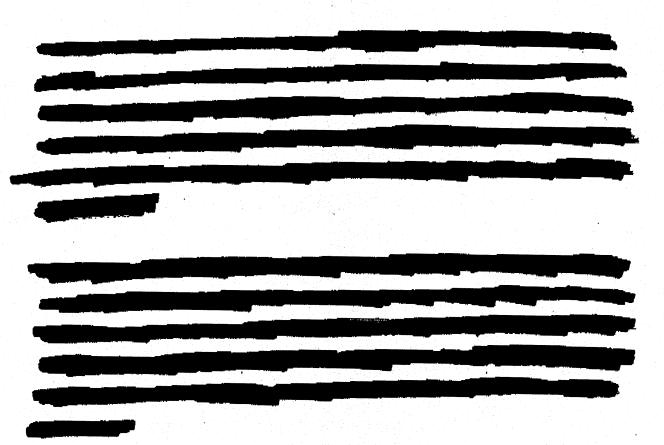
Mr. Dwight C. Baum presided as Chairman of the meeting and Mrs. Shirley M. Hawkins, the Corporate Secretary, recorded the minutes thereof.

Mr. Baum called the meeting to order and welcomed the shareholders and guests. He introduced the Directors of the company, namely: Mr. Thomas J. Garland, Jr.; Mr. Vincent J. Lewis; Mr. Dennis L. Newberry II; Mr. Stirton Oman, Jr., Mr. Timothy W. Triplett; Mr. George C. Woodruff, Jr.; and Mr. Gene C. Koonce.

Mr. Dale A. Keasling, who is a candidate for election to the Board of Directors was also introduced.

Mr. Baum requested Mr. Gene C. Koonce, President and Chief Executive Officer, to conduct the balance of the meeting and make his annual report.

Page 7 Minutes of the Annual Meeting of Shareholders April 28, 1995



In the areas of regulation, the Tennessee Public Service Commission approved an incentive rate plan for our company's Tennessee operations. If we are able to bring natural gas to our markets at a cost below certain industry indices, the shareholders will share the savings with our customers.

# MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF UNITED CITIES GAS COMPANY JULY 28, 1995

The Chairman of the Board, Mr. Dwight C. Baum, called the meeting to order at 8:30 a.m., at the offices of Blackwell, Sanders, Matheny, Weary and Lombardi, Suite 1200, 40 Corporate Woods, Overland Park, Kansas. He stated that all Directors were present, namely: Messrs. Dwight C. Baum; Thomas J. Garland; Dale A. Keasling; Gene C. Koonce; Vincent J. Lewis; Dennis L. Newberry II; Stirton Oman, Jr.; Timothy W. Triplett and George C. Woodruff, Jr.

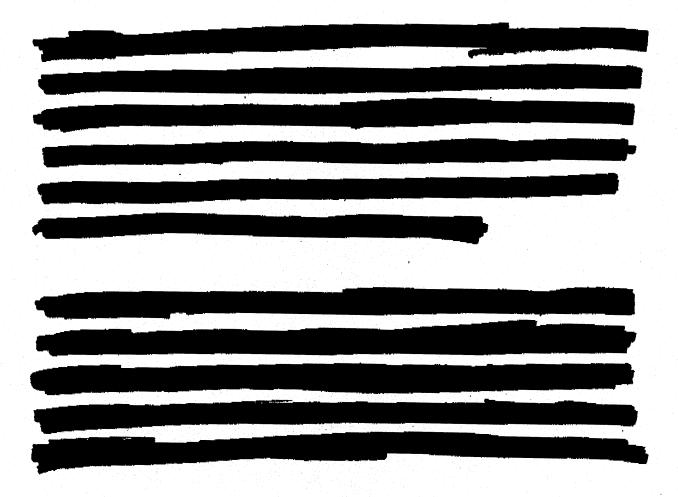
Also present, with consent of the Directors, were the senior officers of the company: Mr. Thomas R. Blose, Jr.; Mr. James B. Ford; Mrs. Shirley M. Hawkins and Mr. Glenn B. Rogers. Mr. Mark Thessin and Mr. Jim Baum were also invited to attend the meeting.

Mr. Baum stated that a copy of the minutes of the April 28, 1995, meeting had been provided to each Director and asked if there were any corrections or additions. Mr. Newberry referenced certain language in the resolution providing for the sale of property and made suggested changes. Following a brief discussion, these changes were agreed to and on a motion made by Mr. Newberry and seconded by Mr. Oman, the minutes were approved subject to the changes being made.

Minutes of the Board of Directors United Cities Gas Company July 28, 1995 Page 7

Mr. Rogers next reported on the activities of the gas supply and marketing departments as well as the propane operations.

He stated that the new Incentive Gas Supply Plan was approved in Tennessee which should generate up to \$300,000 annually to company pre-tax revenues. We will ask the Commission to approve a more appropriate division of the cost savings when they review the incentive plan at the end of the first year.



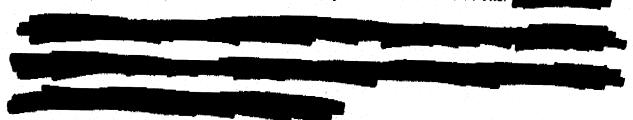
#### ANNUAL MEETING OF THE BOARD OF DIRECTORS OF UNITED CITIES GAS COMPANY

#### MAY 3, 1996

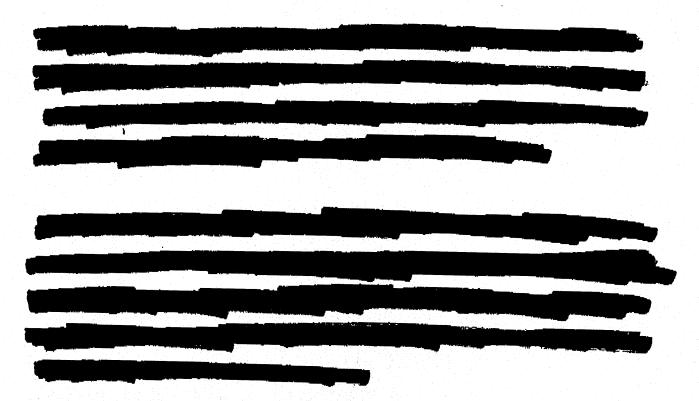
The Chairman, Mr. Dwight C. Baum, convened a meeting of all Directors of United Cities Gas Company, namely: Messrs. Dwight C. Baum; Jerry Ballengee; Thomas J. Garland; Dale A. Keasling; Gene C. Koonce; Vincent J. Lewis; Dennis L. Newberry II; Stirton Oman, Jr.; Timothy W. Triplett and George C. Woodruff, Jr. at 3:00 p.m., May 2, 1996, at the offices of the Company. Mr. Baum stated that with the consent of the Directors, the meeting would begin and all actions taken would require conformation at the regularly scheduled Board meeting to be held May 3, 1996.

With the consent of the Directors, the Chairman invited Mr. Richard W. Cardin, a nominee for election as a Director of the company, and the Senior Officers of the company: Thomas R. Blose, Jr.; James B. Ford; Shirley M. Hawkins and Glenn B. Rogers to attend the meeting.

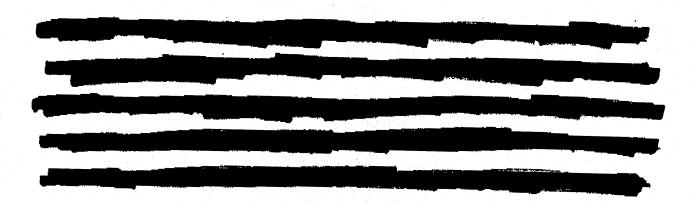
Mr. Baum reported that the minutes of the February 3, 1996, meeting of the Board had been mailed to each Director and asked for any corrections or additions.



Minutes of the Board of Directors United Cities Gas Company May 3, 1996 Page 11



A signed order is expected shortly from the Tennessee Public Service Commission expanding the performance-based ratemaking incentives recommended by Arthur Andersen Consulting. This will increase the opportunities for increasing income by raising the earnings cap from \$25,000 monthly to \$600,000 annually.



## LAW OFFICES BAKER, DONELSON, BEARMAN & CALDWELL A PROFESSIONAL CORPORATION 1800 REPUBLIC CENTRE - 633 CHESTNUT STREET CHATTANOOGA, TENNESSEE 37450

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## FACSIMILE TRANSMISSION FORM

### PLEASE DELIVER IMMEDIATELY

DATE:

October 15, 2002

TIME: 9:24 AM

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**FACSIMILE PHONE NO.:** 

Russell Perkins Tim Phillips

(615) 532-2910 (615) 532-2910

Jon Wike Richard Collier

(615) 741-5015 (615) 741-5015

FROM:

Joe A. Conner

PHONE NO.:

(423) 752-4417

FACSIMILE PHONE NO.

(423) 752-9527

USER NO .:

0257

CLIENT/MATTER NO.:

830844-00077

MESSAGE:

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